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FROM:

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June 10, 2006

TO:

Federal Trade Commission/Office of the Secretary,  
Room H-135 (Annex W)  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

RE: Business Opportunity Rule, R511993

To whom it may concern:

This letter is to express our concern about the proposed Business Opportunity Rule R511993. The proposed restrictions and requirements seem to be unnecessary, would bury us in a mountain of paperwork, would make our business appear suspicious to prospects, and, in all likelihood, put us out of business!

My wife and I have been Independent Distributors for Sunrider International for 16 years and depend on the income and products for our well being. I am 70 years old, a retired college teacher, and disabled. The income allows us to pay for and enjoy the benefits of the products. The substantial and stable income from our Sunrider business recently helped us qualify for a mortgage so we could move into our new home. It was the expectation of our stable on-going income that gave us the confidence to take on a mortgage.

The Sunrider network marketing business is ideal for us, and perhaps the only way we could generate an income in spite of our physical limitations. The opportunity seems ideal for the disabled, single moms, home school parents, and anyone with an ambition or dream to reach their full potential as an entrepreneur without a large capital outlay.

It is our understanding that the proposed rule provides for a 7-day waiting period between presenting the business opportunity and when a new person could enroll as a Distributor. We presume the intent of this rule is to protect the consumer from making a quick emotional decision, and give them time to investigate the company first. In our experience, **almost every person** we have sponsored has wanted to try the products first, and have time to "think it over" before making a commitment to be a Distributor. We do not encourage a quick decision, because we want people to have their questions answered first...and we don't want to waste our time with people who aren't ready to make a commitment.

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A required waiting period would make prospects suspicious that our government thinks there is something dangerous or risky, like buying a handgun, about becoming a Distributor. Prospects would not understand why the FTC had imposed this waiting period, so we would be guilty by insinuation.

One of the things we enjoy about being Americans is our freedom of choice. We appreciate the FTC protecting us from fraudulent companies and practices, but it is impossible to protect people from financial choices. Buying stocks, buying insurance, buying a used car, all have greater risks of being "taken" for substantial amounts of money by unscrupulous salesmen. The adult public is well aware of risks when they buy things, so a special rule for "business opportunities" seems unnecessary, and appears only to stifle the entrepreneur, rather than to protect the public.

The 7-Day waiting period is unnecessary for us because Sunrider already has a 60-day return policy for existing Distributors that is applicable to all products, and a 90% buyback policy for Distributors who "drop out" applicable to all products purchased within the last twelve months. For network marketing companies, the Direct Selling Association also monitors its members by high standards of conduct.

It would appear to be impossible to monitor or enforce the 7-day waiting period because reporting would be on an "honor system", and if someone is unscrupulous; they would falsify their records anyway. Since most of our business is conducted one-on-one, it would be difficult to always document when we talk to prospects in order to start the waiting period.

The proposed rule also calls for the release of any information regarding lawsuits involving misrepresentation, or unfair or deceptive practices, regardless of the outcome. This seems contrary to the legal principle that one is innocent until proven guilty. To give an unqualified declaration of lawsuits to prospects is again making us guilty by insinuation.

The proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. We think the following sentence required by the proposed rule will prevent many people from signing up as a Distributor: "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. Most people will be reluctant to share their personal information with strangers, and, we would be hesitant to ask people to disclose their contact information to be given to everyone we might meet in the future.


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We are sure that the FTC has the best of intentions with the proposed Business Opportunity Rule R51-1993, but we think the proposal has the potential to render significant harm to home-based business and grass-roots entrepreneurs, and would only discourage prospective entrepreneurs rather than protect them.

Sunrider International, and other network marketing companies operating in foreign countries, demonstrate to people around the world the opportunity provided by free enterprise, and showcase how anyone can achieve the "American Dream" of financial success in an environment when the people in government agencies discern the line between protecting and supporting people, and restricting and inhibiting the people they want to protect.

Thank you for considering our concerns.

Sincerely,

  
Robert & Betty Hicks  
Independent Distributors  
Sunrider International